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POSTAL RATE COMMISSION
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BEFORE THE
POSTAL RATE COMMISSION
Washington, D.C. 20268-0001

Postal Rate and Fee Changes, 2000)
_____)

Docket No. R2000-1

AMERICAN BANKERS ASSOCIATION AND
NATIONAL ASSOCIATION OF PRESORT MAILERS
JOINT INTERROGATORIES TO USPS WITNESS SMITH
(ABA&NAPM/USPS-T21-37-40)

(March 22, 2000)

Pursuant to Sections 25 and 26 of the Commission's Rules of Practice, the American Bankers Association (ABA) and the National Association of Presort Mailers (NAPM) hereby submit these joint interrogatories and requests for the production of documents. The instructions included with ABA&NAPM interrogatories ABA&NAPM/USPS-24-1-24 are hereby incorporated by reference.

ABA&NAPM/USPS-T21-37

In your LR-I-81, there are several files which list "BY 98" figures and also "TY 98" figures. For example, file mpshtynp.xls worksheet Total (4) references "TY 98" while worksheet Cost Pool Data in the same file references "BY 98". This is also true of worksheet Summary (2) and Summary from the same file. It is also true for various worksheets in files mpshapn.xls and mpshusty.xls.

- a. Are the files TY 98 labeled correctly? If yes, does this refer to data taken from the R97-1 rate case test year 1998? If no, do these data refer to the test year in this case, namely TY 2001?
- b. If your answer to a. is yes, please explain what procedures you are using that relate base year 98 figures to test year figures from the last rate case, and why you are using them.
- c. In file mpshusty.xls, worksheet Letters (4), does the table labeled "TY 98 USPS Version---Fully Reconciled" refer to test year 2001 in this case?

ABA&NAPM/USPS-T21-38

Please refer to your testimony at page 8, where you note that "...This assumes that there is a constant proportion of labor and equipment-related costs for the marginal and accrued costs."

- a. With increasing deployments of DPBCS expected through the test year, how good an assumption is this?
- b. In general, as automation in mail processing proceeds to equip each productive worker with more and more capital, how good an assumption is this?
- c. If you were to drop this assumption, what would happen to your results?

ABA&NAPM/USPS-T21-39

Please refer to document for USPS-T-21 page 25 you note that "This gives us the desired result of having the operation-specific piggyback factor for each of the 52 mail processing labor cost pools listed in my Attachment 13."

- a. What was your "desired result"?
- b. Did you have any specific factors or numbers in your mind before producing Attachment 13?

ABA&NAPM/USPS-T21-40

Please refer to USPS-T-21, Attachments 2 & 3.

- a. Your depreciation costs for FY 98 are based on CS 20.1 but depreciation costs for FY 2001 are based on CS 20. Are you using different CRA totals in this comparison as between the two years?
- b. The percentage increase in depreciation costs for total non-mail processing equipment is 49.37% from FY 98 to FY 2001. Please list what this equipment is, the percentage increases by type of equipment, and explain why the depreciation costs for this aggregate are increasing far more than they are for

mail processing equipment depreciation, which increases by 26.62% through the test year.

c. In your accounting system, what kind of depreciation method are you using e.g., straight-line method or MACRS, etc.?

Respectfully submitted,

AMERICAN BANKERS ASSOCIATION

NATIONAL ASSOCIATION OF PRESORT MAILERS

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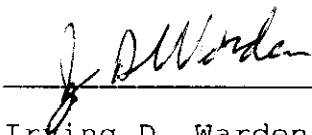
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CERTIFICATE OF SERVICE

I hereby certify that I have this date caused the foregoing document to be served upon all participants of record in this proceeding in accordance with Section 12 of the Rules of Practice.



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